



GUIDE TO MAKING A COMPLAINT: UNLICENSED PRACTICE

This guide applies to complaints about individuals and brokerages that are not licensed by the Real Estate Council of Alberta (RECA), but are carrying out activities that require a licence. If your concern relates to the conduct of a licensee, refer to the [Guide to Making a Complaint: Licensees](#).

This guide provides information on:

- What activities require a licence
- How to file a complaint
- Outcomes to an investigation

Who is RECA?

Established in 1996, the Real Estate Council of Alberta (RECA) is an independent, non-government agency, responsible for governing licensees in the residential and commercial real estate, property management, condominium management, and mortgage brokerage industries under Alberta's *Real Estate Act*.

What activities require a licence?

Real estate licensees provide real estate services to assist others in buying and selling property including offering, advertising and showing real estate for purchase or sale; and, solicit, negotiate or obtain a contract or agreement for a trade in real estate (or simply offer to do so).

Mortgage licensees, on behalf of another person for consideration or compensation, solicit a person to borrow or lend money that will be secured by a mortgage, negotiate a mortgage transaction, collect mortgage payments and otherwise administer mortgages, and buy, sell and exchange mortgages (or simply offer to do so).

RECA does not regulate real estate or mortgage transactions. This means RECA does not investigate the fairness or legality of real estate transactions or mortgage deals, and it also does not investigate the conduct of sellers, buyers, landlords, lenders or borrowers.

Consumers should check if an individual or brokerage are licensed [here](#)

Consumers may also wish to contact Information Services at RECA at (403) 228-2954 or 1-888-425-2754 (toll free) for guidance on whether activities fall under RECA's jurisdiction.

How do I file a complaint?

To file a complaint, please complete the [online complaint form](#)

You may also wish to submit the complaint via mail or fax or email:

Mail: Real Estate Council of Alberta - Investigations
Suite 202, 1560 11 Avenue,
Calgary, AB T3E 6L1
Fax: (403) 228-3065
Email: conductreview@reca.ca

Does RECA accept anonymous complaints?

It depends. RECA will not proceed with a complaint unless it receives sufficient information to determine if the matter should be investigated. Often, the complainant is an important witness and without their cooperation, RECA will not be able to make that determination.

What if RECA does not investigate the complaint?

If RECA does not investigate your complaint, depending on the circumstances, we may notify you why the complaint was refused. There is no right to appeal this decision.

If your complaint potentially falls under another organization's jurisdiction, RECA will provide suggestions on who to contact.

Outcomes & Discipline of investigations?

RECA enforces the *Real Estate Act* and may investigate and discipline persons who hold themselves out as licensees, but who are not licensed with RECA.

If RECA investigates a complaint and determines the person engaged in activities that required a licence, but was not licensed, RECA may issue an Administrative Penalty up to \$25,000.

RECA's process is disciplinary in nature. RECA cannot award damages or intervene in civil disputes. These issues are the responsibility of the courts. If you are looking to recover damages or have transactions cancelled or enforced, RECA recommends you consult with a lawyer for advice on the civil remedies available to you.

If an Administrative Penalty is issued, it will be posted on our website. Depending on the circumstances, we will notify you of the outcome.

Legislative Rights

Sections 21 and 21.1 of the *Real Estate Act* provide members of the public with protection and recourse when they may have unknowingly dealt with a person who required a license but was not licensed. The *Real Estate Act* is available on RECA's website.

The *Real Estate Act* prohibits an unlicensed person from collecting or bringing an action to collect commissions or remuneration related to the provision of services for which they required a license. If you have paid commissions or remuneration to an unlicensed person for the provision of services for which they required a license, you may bring an action through the courts to recover the amount you paid.

If an unlicensed person has brought an action against you for the collection of remuneration or commissions resulting from services for which a license was required, the courts may, on application, stay their civil action.

RECA recommends you consult a lawyer for advice on the legislative and civil remedies available to you.